

CASE

NUMBER:

99-314

HISTORY INDEX FOR CASE: 1999-314 AS OF : 10/02/00
GILBERT CONSTRUCTION SERVICES, INC. WRIGHT ACRES SUBDIVISION
Rates - ARF

IN THE MATTER OF THE ALTERNATIVE RATE FILING OF GILBERT
CONSTRUCTION SERVICES, INC. D/B/A WRIGHT ACRES SUBDIVISION

SEQ NBR	ENTRY DATE	REMARKS
0001	07/26/1999	Application.
0002	07/29/1999	Acknowledgement letter.
0003	08/13/1999	Order granting deviation from the requirements of 807 KAR 5:076, Section 1
0004	08/13/1999	Def. letter, info due 8/28
M0001	09/23/1999	BYRAN REYNOLDS GILBERT CONSTRUCTION-COPIES OF NOTICES MAILED TO RESIDENTS OF GRAHAM ESTATES
0005	09/27/1999	Letter to Robert Gilbert advising that case cannot be processed until def. cured
M0002	10/07/1999	FRANKIE BARTLETT CITIZEN-LETTER OF CONCERN TO RATE INCREASE
0006	10/12/1999	Def. cured letter
0007	10/27/1999	Order issuing data request; response due 11/16
0008	11/16/1999	Letter to Frankie Bartlett regarding concern about rate increase.
M0003	11/22/1999	BRYAN REYNOLDS WRIGHT ACRES-MOTION FOR ENLARGEMENT OF TIME TO RESPOND
0009	12/06/1999	Order granting motion for 20-day extension of time to respond to 10/27 Order
M0004	12/06/1999	WRIGHT ACRES BRYAN REYNOLDS-RESPONSE TO INFORMATION REQUEST
0010	01/21/2000	Order issuing Staff Report; comments or request for hearing due 1/31
M0005	02/01/2000	BRYAN REYNOLDS GILBERT CONSTRUCTION-REQ FOR INFORMAL CONFERENCE
0011	02/16/2000	Order scheduling 2/29 informal conference
M0006	02/23/2000	BRYAN REYNOLDS GILBERT CONSTRUCTION-MOTIN FOR CONTINUANCE OF INFORMAL CONFERENCE
0012	02/29/2000	Order rescheduling 2/29 informal conference to 3/7
M0007	03/07/2000	BRYAN REYNOLDS GILBERT CONSTRUCTION-NOTICE OF FILING ADDITIONAL EXHIBITS
0013	04/28/2000	Staff Report Order; comments or request for hearing due 5/8.
0014	05/25/2000	Final Order approving rates in Appendix.
0015	07/10/2000	First Reminder letter sent, response due 15 days.
0016	08/03/2000	Second Reminder Letter, response due 15 days.



Paul E. Patton, Governor

Ronald B. McCloud, Secretary
Public Protection and Regulation
Cabinet

Martin J. Huelsmann
Executive Director
Public Service Commission

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602-0615
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

B. J. Helton
Chairman

Edward J. Holmes
Vice Chairman

Gary W. Gillis
Commissioner

August 3, 2000

Mr. Robert E. Gilbert
President
Gilbert Construction Services, Inc.
P.O. Box 442
2215 Dickey Drive
Owensboro, Kentucky 42301

Re: Case No. 1999-314 & 1999-315, Second Reminder Letter

Dear Mr. Gilbert:

The Commission entered the enclosed Final Order in these cases on May 25, 2000. The Commission ordered that within 30 days of the date of those Orders, Gilbert Construction shall file with the Commission its revised tariff setting out the approved rates. Our records indicate that you have not made this filing, and, on July 10, 2000, we mailed you a first reminder letter requesting this filing within 15 days. To date we still have not received this filing. Enclosed are the necessary tariff sheets. Please sign and return them to the Commission.

You must make this filing not later than 10 days from the date of this letter. Please submit this filing, referencing Case Nos. 1999-314 and 1999-315, to Martin J. Huelsmann, Executive Director, Public Service Commission, 211 Sower Blvd., Post Office Box 615, Frankfort, Kentucky 40602.

If you do not timely make this filing, you will cause the Commission to take all appropriate legal remedies against you. If you have any questions concerning this filing, please contact Jess Helton, of the Filings Division, at 502-564-3940, extension 278.

Sincerely,

Stephanie Bell
Secretary of the Commission

Enclosure

CC: Bryan R. Reynolds





Paul E. Patton, Governor
Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Martin J. Huelsmann
Executive Director
Public Service Commission

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B. J. Helton
Chairman

Edward J. Holmes
Vice Chairman

Gary W. Gillis
Commissioner

July 10, 2000

Mr. Robert E. Gilbert
President
Gilbert Construction Services, Inc.
P.O. Box 442
2215 Dickey Drive
Owensboro, Kentucky 42301

Re: Case No. 1999-314 & 1999-315
First Reminder Letter

Dear Mr. Gilbert:

The Commission entered the enclosed Final Order in this case on May 25, 2000. The Commission ordered that within 30 days of the date of this Order, Gilbert Construction shall file with the Commission its revised tariff setting out the approved rates. Enclosed are the necessary tariff sheets. Please sign them and return to Martin J. Huelsmann, Executive Director, Public Service Commission, 211 Sower Blvd., Post Office Box 615, Frankfort, Kentucky 40602. Please make this filing referencing the case numbers 1999-314 and 1999-315, not later than 15 days from the date of this letter.

If you have questions concerning this letter, please contact Jess Helton, of the Filings Division, at 502-564-3940, extension 278.

Sincerely,

A handwritten signature in black ink that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

Enclosures
CC: Bryan R. Reynolds





COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 1999-314
GILBERT CONSTRUCTION SERVICES, INC. WRIGHT ACRES SUBDIVISION

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on May 25, 2000.

Parties of Record:

Robert E. Gilbert
President
Gilbert Construction Services, Inc.
Wright Acres Subdivision
P. O. Box 442
2215 Dickey Drive
Owensboro, KY. 42301

Honorable Bryan R. Reynolds
Attorney for Gilbert Construction
Sullivan, Mountjoy, Stainback &
Miller, PSC
100 St. Ann Building
P.O. Box 727
Owensboro, KY. 42302 0727


Secretary of the Commission

SB/hv
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GILBERT CONSTRUCTION)
d/b/a WRIGHT ACRES FOR A RATE ADJUSTMENT) CASE NO.
PURSUANT TO THE ALTERNATIVE RATE FILING) 99-314
PROCEDURE FOR SMALL UTILITIES)

ORDER

On September 23, 1999, Gilbert Construction d/b/a Wright Acres ("Wright Acres") filed an application for Commission approval to increase its monthly flat rate of \$15.00 to \$18.78, for an increase of 25.20 percent. The proposed rates would generate additional annual revenues of \$4,856, an increase of 25.21 percent above normalized operating revenues.

By Order dated January 21, 2000, the Commission issued a Staff Report that was prepared upon review of Wright Acres' test-year operations. Staff's report recommended that Wright Acres' current rate be decreased by \$1.82 to \$13.18, or 12.13 percent. The Order directed all parties to file comments on the Staff Report or request a hearing or informal conference within 10 days of the date of the Order or the case would stand submitted. The Commission received a request for an informal conference from Wright Acres on February 1, 2000.

A teleconference was held on March 7, 2000, to discuss the application and the Staff Report. During the conference matters not previously brought to Staff's attention arose. It was agreed that Wright Acres would file additional information subsequent to the conference. After reviewing the additional information an Amended Staff Report was

issued by Commission Order dated April 28, 2000. The amended report recommended the Commission approve a monthly rate of \$13.74. The issuing Order granted 10 days to file written comments regarding the Amended Staff Report or requests for a hearing or informal conference. No such comments or requests have been received.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Amended Staff Report are supported by the evidence of record, are reasonable, and should be adopted as the findings of the Commission.

2. The rates set forth in Appendix A will produce annual revenue from sewer service of \$17,634 and should be approved as the fair, just, and reasonable rates for Wright Acres.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Amended Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. The rates set forth in Appendix A are approved for service rendered by Wright Acres on and after the date of this Order.

3. The rates proposed by Wright Acres are denied.

4. Within 30 days of the date of this Order, Wright Acres shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 25th day of May, 2000.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 99-314 DATED MAY 25, 2000

The following rates and charges are prescribed for the customers in the area served by Gilbert Construction d/b/a Wright Acres. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Flat Monthly Sewer Rate

\$13.74



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

April 28, 2000

Robert E. Gilbert
President
Gilbert Construction Services, Inc.
Wright Acres Subdivision
P. O. Box 442
2215 Dickey Drive
Owensboro, KY. 42301

Honorable Bryan R. Reynolds
Attorney for Gilbert Construction
Sullivan, Mountjoy, Stainback &
Miller, PSC
100 St. Ann Building
P.O. Box 727
Owensboro, KY. 42302 0727

RE: Case No. 1999-314

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in black ink that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GILBERT CONSTRUCTION)
d/b/a WRIGHT ACRES FOR A RATE ADJUSTMENT) CASE NO.
PURSUANT TO THE ALTERNATIVE RATE FILING) 99-314
PROCEDURE FOR SMALL UTILITIES)

ORDER

On September 23, 1999, Gilbert Construction Services, Inc. d/b/a Wright Acres ("Wright Acres") filed its application for Commission approval of proposed sewer rates. Commission Staff, having performed a limited financial review of Wright Acres' operations, prepared a Staff Report that was issued by Commission Order dated January 21, 2000. A teleconference was held on March 7, 2000, to discuss the application and the Staff Report. During the conference matters arose that had not been previously brought to Staff's attention. As a result of the conference and after review of the information filed subsequent thereto, Staff has prepared the attached Amended Staff Report. All parties should review the report carefully and provide any written comments or requests for a hearing or informal conference no later than 10 days from the date of this Order.

IT IS THEREFORE ORDERED that all parties shall have no more than 10 days from the date of this Order to provide written comments regarding the attached Staff Report or requests for hearing or informal conference. If no request for a hearing or informal conference is received, this case will be submitted to the Commission for a decision.

Done at Frankfort, Kentucky, this 28th day of April, 2000.

By the Commission

ATTEST:



Executive Director

AMENDED STAFF REPORT

ON

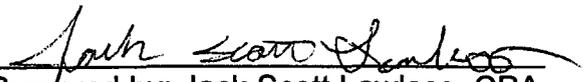
GILBERT CONSTRUCTION d/b/a WRIGHT ACRES

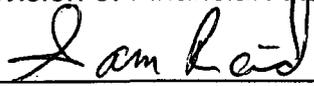
CASE NO. 99-314

On September 23, 1999, Gilbert Construction d/b/a Wright Acres ("Wright Acres") filed its application seeking to increase its sewer rates pursuant to 807 KAR 5:076, the Alternative Rate Adjustment Procedure for Small Utilities. Staff expressed its recommendations with regard to Wright Acres' application in a Staff Report issued on January 21, 2000. To discuss the application and the Staff Report a teleconference was held on March 7, 2000. During the conference Wright Acres presented arguments against various aspects of the Staff Report. It was agreed that Wright Acres would submit additional information pursuant to the conference.

After considering the arguments made at the conference and the information filed subsequent thereto, Staff hereby amends its original report and recommends that the rate approved in this case be a monthly flat rate of \$13.74 per customer. Attachment A of this report details the additional adjustments to Staff's recommended pro forma operating income statement. Attachment B details the calculation of Staff's amended revenue requirement and recommended rate.

Signatures


Prepared by: Jack Scott Lawless, CPA
Financial Analyst, Water and Sewer
Revenue Requirements Branch
Division of Financial Analysis


Prepared by: Sam Reid
Rate Analyst, Communications, Water,
and Sewer Rate Design Branch
Division of Financial Analysis

ATTACHMENT A
 AMENDED STAFF REPORT CASE NO. 99-314
 STAFF'S RECOMMENDED OPERATIONS

	Pro forma Present Rate Operations per Staff Report of Jan. 21, 2000	Adjustment	Ref.	Pro forma Present Rate Operations Amended Staff Report
Operating Revenues	19,260			19,260
Operating Expenses				
Contract labor - C.G. Williams, Inc.	225	615	A	840
Operating contract	3,544			3,544
Peay Electric	518			518
Staeffer Pump and Supply	1,230			1,230
Purchased power	3,863			3,863
Baird plumbing and heating	1,713			1,713
Owner manager fee	3,600			3,600
Legal and professional expenses		10	B	10
KPDES permit fee	200			200
Total Operating Expenses	14,893	625		15,518
Net Operating Income	4,367	(625)		3,742

ATTACHMENT A
 AMENDED STAFF REPORT CASE NO. 99-314
 STAFF'S RECOMMENDED OPERATIONS

A) Contract Labor - C.G. Williams, Inc. During the informal conference, Wright Acres expressed concern that services provided by C.G. Williams had drastically increased since the test year. Services provided by C.G. Williams include sludge pumping and hauling and cleaning of the clarifier, chlorine contact chamber, and lift station.

It is common for maintenance costs of small sewer utilities such as Wright Acres to fluctuate from year to year. This is primarily due to the amount of time it takes for undigested sludge to accumulate to the point that pumping and hauling is required. To normalize these expenses in past cases the Commission has set the pro forma amount equal to the average annual expense of recent years. Staff recommends utilizing this methodology in this case.

Wright Acres has provided invoices from C.G. Williams for the years 1997, 1998, and 1999 that total \$225, \$990, and \$1,305, respectively. The three-year average is \$840. Staff proposes to increase the C.G. Williams account by \$615 to reflect the average annual payment.

B) Legal and Professional Fees. Just prior to the teleconference Gilbert Construction submitted detailed legal invoices for 1998 that totaled \$2,991. They proposed to include a portion of the legal fees in the pro forma operations of Wright Acres. The table below summarizes the amount and nature of the fees.

Division of Water	1,361
Transfer	1,029
Rate Case	519
Line Break	50
Personal	32

ATTACHMENT A
AMENDED STAFF REPORT CASE NO. 99-314
STAFF'S RECOMMENDED OPERATIONS

During 1998 Gilbert Construction was billed \$1,361 for legal services rendered during settlement with the Division of Water ("DOW") in case numbers 23670-098 and 23671-098. As a part of those cases Gilbert agreed to file a rate application with this Commission and transfer ownership of Wright Acres' assets to either the Regional Water Resources Agency or The Summit Country Club, Inc. During 1998 Gilbert incurred legal fees of \$1,029 and \$519 for the asset transfer and the rate case filing, respectively.

The Commission should not allow recovery of penalties, interest, or costs related to judgements or settlements with the Division of Water resulting from utility noncompliance with state statutes or regulations. All costs should be borne by the stockholders of the utility.

It is Staff's opinion that legal fees for the transfer of assets should not be passed through to the customers of Wright Acres. Robert E. Gilbert, Sr. was ordered by the DOW to transfer the assets of Wright Acres for \$1. Mr. Gilbert is personally responsible for the transfer of assets, not Wright Acres' customers. Normally, when a transfer occurs the only related costs recoverable through rates is an acquisition adjustment which is recorded by the purchaser after the transfer is made. An acquisition adjustment is recoverable only if it is proven that the customers benefited from the transfer and a value can be reasonably assigned to that benefit. As of the date of this report Wright Acres has neither transferred its assets nor filed an application with this Commission to do so.

ATTACHMENT A
AMENDED STAFF REPORT CASE NO. 99-314
STAFF'S RECOMMENDED OPERATIONS

Legal fees for the rate case filing were unnecessary. Commission Staff routinely assists utilities with the preparation and filing of rate applications pursuant to 807 KAR 5:076. In fact, Staff assisted Wright Acres with this filing. Wright Acres will not require legal representation in this proceeding unless it makes a formal appearance before the Commission. Mr. Gilbert is compensated to address administrative duties such as rate filings through the owner manager fee.

Staff recommends that all legal fees resulting from the DOW settlement, including the transfer and rate case expenses, be denied.

Gilbert incurred \$50 in legal fees resulting from a main break of Wright Acres. This fee is nonrecurring but recoverable. Therefore, Staff has amortized this amount over 5 years by increasing test year expenses by \$10. On occasion a three year amortization period is used for such costs but in this case Staff is of the opinion that the life of the rates recommended herein will exceed three years. Therefore, a five year period was used. Staff is of the opinion that an amortization period of more than five years would be unreasonably long for such an expense.

Of the 1998 legal fees \$32 was for personal consultation to Mr. Gilbert. Staff recommends that this amount be denied.

ATTACHMENT B
AMENDED STAFF REPORT CASE NO. 99-314
CALCULATION OF REVENUE REQUIREMENT AND RECOMMENDED RATE

Operating Expenses	15,518
Divide by: 88 percent	<u>88%</u>
Required Revenue	17,634
Divide by: Number of Customers	107
12 Months	<u>12</u>
Amended rate recommended by Staff	<u><u>13.74</u></u>

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAR 7 2000

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE APPLICATION OF GILBERT CONSTRUCTION)
d/b/a WRIGHT ACRES FOR A RATE ADJUSTMENT) CASE NO. 99-314
PURSUANT TO THE ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

NOTICE OF FILING OF ADDITIONAL EXHIBITS

Comes now the Applicant and provides the attached exhibits to support its rate application. Applicant submits legal expenses for 1998 rather than for 1997 as previously requested because 1998 fees are more representative. Applicant respectfully requests that all legal fee information be kept confidential for all purposes.

Respectfully submitted this the 3rd day of March, 2000.

Sullivan, Mountjoy, Stainback & Miller, PSC

By: 
Bryan R. Reynolds
100 St. Ann Building, P.O. Box 727
Owensboro, KY 42302-0727
(270) 926-4000

Attorney for Gilbert Construction Services, Inc.

Sullivan, Ansoy, Stainback, & Miller, P.S.C.
100 St. Ann Street
P. O. Box 727
Owensboro, KY 42302-0727
Tax ID# 61-0673590

December 31, 1998

Billed through 12/31/98

Invoice Number 32044-00000-021 BR

Robert E. Gilbert, Sr.
2215 Dickey Road
Owensboro, Kentucky 42301

Professional Services Rendered

Balance forward as of Invoice # 020 dated 11/30/98 \$ 2,616.69

OUT-OF-POCKET EXPENSES

12/31/98 Long distance telephone calls Through Billing Date. .22

Total Out-Of-Pocket for this matter \$.22

BILLING SUMMARY

TOTAL OUT-OF-POCKET EXPENSES \$.22

TOTAL CHARGES FOR THIS BILL \$.22

NET BALANCE FORWARD \$ 2,616.69

TOTAL BALANCE NOW DUE \$ 2,616.91

TRUST ACCOUNT BALANCE \$.00

Sullivan, Mountjoy, Stainback, & Miller, P.S.C.
100 St. Ann Street
P. O. Box 727
Owensboro, KY 42302-0727
Tax ID# 61-0673590

November 30, 1998

Billed through 11/30/98

Invoice Number 32044-00000-020 BR

Robert E. Gilbert, Sr.
2215 Dickey Road
Owensboro, Kentucky 42301

Professional Services Rendered

Balance forward as of Invoice # 019 dated 10/31/98 \$ 2,584.48

FOR PROFESSIONAL SERVICES RENDERED

11/14/98 BR Draft memo to W. Overcash regarding progress on
transfer of facilities. .30 hrs 105 /hr 31.50

Total fees for this matter \$ 31.50

OUT-OF-POCKET EXPENSES

11/30/98 Long distance telephone calls Through Billing
Date. .71

Total Out-Of-Pocket for this matter \$.71

BILLING SUMMARY

Bryan Reynolds .30 hrs 105 /hr 31.50

TOTAL FEES .30 hrs \$ 31.50

TOTAL OUT-OF-POCKET EXPENSES \$.71

TOTAL CHARGES FOR THIS BILL \$ 32.21

NET BALANCE FORWARD \$ 2,584.48

TOTAL BALANCE NOW DUE \$ 2,616.69

TRUST ACCOUNT BALANCE \$.00

Sullivan, Joy, Stainback, & Miller, P.C.
100 St. Ann Street
P. O. Box 727
Owensboro, KY 42302-0727
Tax ID# 61-0673590

October 31, 1998

Billed through 10/31/98

Invoice Number 32044-00000-019 BR

Robert E. Gilbert, Sr.
2215 Dickey Road
Owensboro, Kentucky 42301

Professional Services Rendered

Balance forward as of Invoice # 018 dated 09/30/98 \$ 2,580.50

OUT-OF-POCKET EXPENSES

10/31/98 Long distance telephone calls Through Billing Date. 3.98

Total Out-Of-Pocket for this matter \$ 3.98

BILLING SUMMARY

TOTAL OUT-OF-POCKET EXPENSES \$ 3.98

TOTAL CHARGES FOR THIS BILL \$ 3.98

NET BALANCE FORWARD \$ 2,580.50

TOTAL BALANCE NOW DUE \$ 2,584.48

TRUST ACCOUNT BALANCE \$.00

Sullivan, Mountjoy, Stainback, & Miller, P.S.C.
100 St. Ann Street
P. O. Box 727
Owensboro, KY 42302-0727
Tax ID# 61-0673590

September 30, 1998

Billed through 09/30/98

Invoice Number 32044-00000-018 BR

Robert E. Gilbert, Sr.
2215 Dickey Road
Owensboro, Kentucky 42301

Professional Services Rendered

Balance forward as of Invoice # 017 dated 08/31/98 \$ 2,230.50

FOR PROFESSIONAL SERVICES RENDERED

09/10/98 BR	Draft letter to Western Kentucky Gas regarding break in sewer line.	.50 hrs	100 /hr	50.00
09/10/98 BR	Review email from W. Overcash regarding case status; conference with D. Hawes; draft response to Overcash.	1.10 hrs	100 /hr	110.00
09/21/98 BR	Attend meeting of RWRA regarding Wright's Acres and Graham lane hookups; draft memorandum to W. Overcash.	1.90 hrs	100 /hr	190.00

Total fees for this matter \$ 350.00

BILLING SUMMARY

Bryan Reynolds 3.50 hrs 100 /hr 350.00

TOTAL FEES 3.50 hrs \$ 350.00

TOTAL CHARGES FOR THIS BILL \$ 350.00

NET BALANCE FORWARD \$ 2,230.50

TOTAL BALANCE NOW DUE \$ 2,580.50

TRUST ACCOUNT BALANCE \$.00

Sullivan, Haggoy, Stainback, & Miller, P.C.
100 St. Ann Street
P. O. Box 727
Owensboro, KY 42302-0727
Tax ID# 61-0673590

August 31, 1998

Billed through 08/31/98

Invoice Number 32044-00000-017 BR

Robert E. Gilbert, Sr.
2215 Dickey Road
Owensboro, Kentucky 42301

Professional Services Rendered

Balance forward as of Invoice # 016 dated 07/31/98 \$ 2,072.02

OR PROFESSIONAL SERVICES RENDERED

8/04/98 BR	Draft letter to Charles Kamuf regarding RWRA work; conference with D. Hawes.	.50 hrs	105 /hr	52.50
8/06/98 BR	Draft Power of Attorney for Bob Gilbert.	.30 hrs	105 /hr	31.50
8/07/98 BR	Conference with C. Kamuf regarding amendments to access agreement; conference with B. Gilbert regarding signing agreement.	.50 hrs	105 /hr	52.50
8/27/98 BR	Conference with Bob Gilbert regarding Wright's Acres issue; WKG letter.	.20 hrs	105 /hr	21.00

Total fees for this matter \$ 157.50

OUT-OF-POCKET EXPENSES

8/11/98	Fax received from Chas Kamuf to Bryan Reynolds.			.30
8/31/98	Long distance telephone calls Through Billing Date.			.68

Total Out-Of-Pocket for this matter \$.98

BILLING SUMMARY

Bryan Reynolds	1.50 hrs	105 /hr	157.50
TOTAL FEES	1.50 hrs		\$ 157.50

TOTAL OUT-OF-POCKET EXPENSES	\$.98
TOTAL CHARGES FOR THIS BILL	\$	158.48
NET BALANCE FORWARD	\$	2,072.02
TOTAL BALANCE NOW DUE	\$	2,230.50
TRUST ACCOUNT BALANCE	\$.00

Sullivan, Mountjoy, Stainback, & Miller, P.S.C.
100 St. Ann Street
P. O. Box 727
Owensboro, KY 42302-0727
Tax ID# 61-0673590

July 31, 1998

Billed through 07/31/98

Invoice Number 32044-00000-016 BR

Robert E. Gilbert, Sr.
2215 Dickey Road
Owensboro, Kentucky 42301

Professional Services Rendered

Balance forward as of Invoice # 015 dated 06/30/98 \$ 1,812.53

OR PROFESSIONAL SERVICES RENDERED

7/10/98 BR	conference at Summit regarding transfer of facilities; conference with Wendell Overcash.	2.00 hrs	105 /hr	210.00
7/27/98 BR	Review draft agreement for access to Gilbert's lines.	.40 hrs	105 /hr	42.00
	Total fees for this matter			\$ 252.00

UT-OF-POCKET EXPENSES

7/31/98	Long distance telephone calls Through Billing Date.			7.49
	Total Out-Of-Pocket for this matter			\$ 7.49

BILLING SUMMARY

Bryan Reynolds	2.40 hrs	105 /hr	252.00
TOTAL FEES	2.40 hrs		\$ 252.00
TOTAL OUT-OF-POCKET EXPENSES			\$ 7.49
TOTAL CHARGES FOR THIS BILL			\$ 259.49
NET BALANCE FORWARD			\$ 1,812.53
TOTAL BALANCE NOW DUE			\$ 2,072.02
TRUST ACCOUNT BALANCE		\$.00

Please write the invoice number on your payment.
Payments received after July 31, 1998 may not be reflected on this invoice.

Sullivan, Mountjoy, Stainback, & Miller, P.S.C.
100 St. Ann Street
P. O. Box 727
Owensboro, KY 42302-0727
Tax ID# 61-0673590

June 30, 1998

Billed through 06/30/98

Invoice Number 32044-00000-015 BR

Robert E. Gilbert, Sr.
2215 Dickey Road
Owensboro, Kentucky 42301

Professional Services Rendered

Balance forward as of Invoice # 014 dated 05/31/98 \$ 1,682.50

FOR PROFESSIONAL SERVICES RENDERED

06/16/98 BR	Conference with J. Wucher and W. Overcash regarding rate making procedures for Gilbert plants.	.40 hrs 105 /hr	42.00
06/24/98 BR	Conference with client regarding 7/18 inspection.	.20 hrs 105 /hr	21.00
06/30/98 BR	Conference with client; conference with J. McNalty regarding transfer; conference with D. Hawes.	.60 hrs 105 /hr	63.00
	Total fees for this matter		----- \$ 126.00

OUT-OF-POCKET EXPENSES

06/30/98	Long distance telephone calls Through Billing Date.		4.03
	Total Out-Of-Pocket for this matter		----- \$ 4.03

BILLING SUMMARY

Bryan Reynolds	1.20 hrs 105 /hr	126.00
TOTAL FEES	1.20 hrs	----- \$ 126.00

Robert E. Gilbert, Sr.
Invoice Number 32044-00 015 BR

TOTAL OUT-OF-POCKET EXPENSES	\$	4.03
TOTAL CHARGES FOR THIS BILL	\$	130.03
NET BALANCE FORWARD	\$	1,682.50
TOTAL BALANCE NOW DUE	\$	1,812.53
TRUST ACCOUNT BALANCE	\$.00

Sullivan, Mountjoy, Stainback, & Miller, P.S.C.
100 St. Ann Street
P. O. Box 727
Owensboro, KY 42302-0727
Tax ID# 61-0673590

May 31, 1998

Billed through 05/31/98

Invoice Number 32044-00000-014 BR

Robert E. Gilbert, Sr.
2215 Dickey Road
Owensboro, Kentucky 42301

Professional Services Rendered

Balance forward as of Invoice # 012 dated 04/30/98 \$ 1,503.81

FOR PROFESSIONAL SERVICES RENDERED

05/18/98 BR	Conference with client regarding call from W. Overcash	.40 hrs	105 /hr	42.00
05/19/98 BR	Conference with W. Overcash regarding citizen complaint	.30 hrs	105 /hr	31.50
05/19/98 BR	Conference with J. McNulty of Summit; conference with D. Hawes	1.00 hrs	105 /hr	105.00

Total fees for this matter \$ 178.50

OUT-OF-POCKET EXPENSES

05/31/98	Long distance telephone calls Through Billing Date.			.19
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Total Out-Of-Pocket for this matter \$.19

BILLING SUMMARY

Bryan Reynolds	1.70 hrs	105 /hr	178.50
TOTAL FEES	1.70 hrs		\$ 178.50
TOTAL OUT-OF-POCKET EXPENSES			\$.19
TOTAL CHARGES FOR THIS BILL			\$ 178.69
NET BALANCE FORWARD			\$ 1,503.81
TOTAL BALANCE NOW DUE			\$ 1,682.50
TRUST ACCOUNT BALANCE			\$.00

Please write the invoice number on your payment.

Sullivan, Mountjoy, Stainback, & Miller, P.S.C.
100 St. Ann Street
P. O. Box 727
Owensboro, KY 42302-0727
Tax ID# 61-0673590

April 30, 1998

Billed through 04/30/98

Invoice Number 32044-00000-012 BR

Robert E. Gilbert, Sr.
2215 Dickey Road
Owensboro, Kentucky 42301

Professional Services Rendered

Balance forward as of Invoice # 011 dated 03/31/98 \$ 1,029.04

FOR PROFESSIONAL SERVICES RENDERED

04/10/98 BR	Review file for materials regarding rate filing for overall sewer utility(2.0)	2.00 hrs	105 /hr	210.00
04/13/98 BR	Conference with Bob Gilbert regarding sewer utility rate filing(1.0)	1.00 hrs	105 /hr	105.00
04/14/98 BR	Conference with PSC regarding short form rate filing;	.50 hrs	105 /hr	52.50
04/15/98 BR	Draft letter to PSC regarding waiver of filing requirements for annual report	1.00 hrs	105 /hr	105.00

Total fees for this matter \$ 472.50

OUT-OF-POCKET EXPENSES

04/30/98	Long distance telephone calls Through Billing Date.			2.27
----------	--	--	--	------

Total Out-Of-Pocket for this matter \$ 2.27

BILLING SUMMARY

Bryan Reynolds	4.50 hrs	105 /hr	472.50
TOTAL FEES	4.50 hrs		\$ 472.50

Robert E. Gilbert, Sr.
Invoice Number 32044-00000-012 BR

PAGE 2

TOTAL OUT-OF-POCKET EXPENSES	\$	2.27
TOTAL CHARGES FOR THIS BILL	\$	474.77
NET BALANCE FORWARD	\$	1,029.04
TOTAL BALANCE NOW DUE	\$	1,503.81
TRUST ACCOUNT BALANCE	\$.00

Sullivan, Mountjoy, Stainback, & Miller, P.S.C.
100 St. Ann Street
P. O. Box 727
Owensboro, KY 42302-0727
Tax ID# 61-0673590

March 31, 1998

Billed through 03/31/98

Invoice Number 32044-00000-011 BR

Robert E. Gilbert, Sr.
2215 Dickey Road
Owensboro, Kentucky 42301

Professional Services Rendered

Balance forward as of Invoice # 010 dated 02/28/98 \$ 878.58

FOR PROFESSIONAL SERVICES RENDERED

03/09/98 BR	Final prehearing conference	.40 hrs	105 /hr	42.00
03/11/98 BR	Conference with BOB Gilbert regarding of claims; revise letter to W. Overcash; conference with W. Overcash	.40 hrs	105 /hr	42.00
03/26/98 BR	Conference with Bob Gilbert and Wendell Overcash regarding agreed order	.60 hrs	105 /hr	63.00

Total fees for this matter \$ 147.00

OUT-OF-POCKET EXPENSES

03/31/98	Long distance telephone calls Through Billing Date.			3.46
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Total Out-Of-Pocket for this matter \$ 3.46

BILLING SUMMARY

Bryan Reynolds	1.40 hrs	105 /hr	147.00
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TOTAL FEES 1.40 hrs \$ 147.00

TOTAL OUT-OF-POCKET EXPENSES \$ 3.46

TOTAL CHARGES FOR THIS BILL \$ 150.46

NET BALANCE FORWARD \$ 878.58

TOTAL BALANCE NOW DUE \$ 1,029.04

TRUST ACCOUNT BALANCE \$.00

Sullivan, Antjoy, Stainback, & Miller P.S.C.
100 St. Ann Street
P. O. Box 727
Owensboro, KY 42302-0727
Tax ID# 61-0673590

February 28, 1998

Billed through 02/28/98

Invoice Number 32044-00000-010 BR

Robert E. Gilbert, Sr.
2215 Dickey Road
Owensboro, Kentucky 42301

Professional Services Rendered

Balance forward as of Invoice # 009 dated 01/31/98	\$ 695.90
Payments received since last bill (last payment 02/13/98)	\$ 374.00
Net balance forward	\$ 321.90

FOR PROFESSIONAL SERVICES RENDERED

02/10/98 BR	Conference with Wendell Overcash regarding draft agreed order	.80 hrs	105 /hr	84.00
02/11/98 BR	Review draft of agreed order	1.10 hrs	105 /hr	115.50
02/13/98 BR	Draft prehearing memorandum	1.40 hrs	105 /hr	147.00
02/13/98 BR	Conference with J. McNulty regarding transfer of facilities to Summit	.40 hrs	105 /hr	42.00
02/16/98 BR	Conference with Wendell overcash regarding settlement(.4)	.40 hrs	105 /hr	42.00
02/25/98 BR	Conference with R. Gilbert regarding settlement offer	.40 hrs	105 /hr	42.00
02/26/98 BR	Conference with R. Gilbert regarding settlement offer; review file	.80 hrs	105 /hr	84.00
Total fees for this matter				\$ 556.50

OUT-OF-POCKET EXPENSES

02/28/98	Long distance telephone calls Through Billing Date.			.18
Total Out-Of-Pocket for this matter				\$.18

BILLING SUMMARY

Bryan Reynolds	5.30 hrs	105 /hr	556.50
TOTAL FEES	5.30 hrs		\$ 556.50

TOTAL OUT-OF-POCKET EXPENSES	\$.18
TOTAL CHARGES FOR THIS BILL	\$	556.68
NET BALANCE FORWARD	\$	321.90
TOTAL BALANCE NOW DUE	\$	878.58
TRUST ACCOUNT BALANCE	\$.00

Sullivan, Mountjoy, Stainback, & Miller, P.S.C.
100 St. Ann Street
P. O. Box 727
Owensboro, KY 42302-0727
Tax ID# 61-0673590

January 31, 1998

Billed through 01/31/98

Invoice Number 32044-00000-009 BR

Robert E. Gilbert, Sr.
2215 Dickey Road
Owensboro, Kentucky 42301

Professional Services Rendered

Balance forward as of Invoice # 005 dated 12/31/97	\$	756.06
Payments received since last bill (last payment 01/21/98)	\$	756.06
Net balance forward	\$.00

FOR PROFESSIONAL SERVICES RENDERED

01/05/98 BR	Conference with Wendell Overcash regarding Wright's Landing	.40 hrs	105 /hr	42.00
01/09/98 BR	Teleconference with client regarding agreed orders(.3)	.30 hrs	105 /hr	31.50
01/12/98 BR	Conference with client regarding draft agreed order(1.0)	1.00 hrs	105 /hr	105.00
01/12/98 BR	Draft letter to Wendell Overcash regarding draft agreed order; conference with client(1.1)	1.10 hrs	105 /hr	115.50
01/14/98 BR	Conference with Wendell Overcash regarding status conference; conference with J. McNulty of summit regarding hookup of Wrights Acres	.40 hrs	105 /hr	42.00
01/14/98 BR	Conference with hearing officer Blanton regarding status	.20 hrs	105 /hr	21.00
01/19/98 BR	Telephone conference with J. McNulty regarding transfer of Wrights Acres facilities; review files	.80 hrs	105 /hr	84.00
01/23/98 BR	Telephone conference with J. McNulty regarding transfer of facilities to Summit; telephone conference with Bob Gilbert	.40 hrs	105 /hr	42.00
01/28/98 BR	Telephone conference with D. Hawes regarding transfer of system to Summit; telephone conference with John McNulty	1.00 hrs	105 /hr	105.00
01/29/98 BR	Telephone conference with hearing officer Blanton regarding status; telephone conference with Wendell Overcash	1.00 hrs	105 /hr	105.00
Total fees for this matter				\$ 693.00

Robert E. Gilbert, Sr.
Invoice Number 32044-00000-009 BR

PAGE 2

OUT-OF-POCKET EXPENSES

01/31/98 Long distance telephone calls Through Billing
Date. 2.90

Total Out-Of-Pocket for this matter \$ 2.90

BILLING SUMMARY

Bryan Reynolds	6.60 hrs	105 /hr	693.00
TOTAL FEES	6.60 hrs		\$ 693.00
TOTAL OUT-OF-POCKET EXPENSES			\$ 2.90
TOTAL CHARGES FOR THIS BILL			\$ 695.90
TOTAL BALANCE NOW DUE			\$ 695.90
TRUST ACCOUNT BALANCE		\$	374.00



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

February 29, 2000

Robert E. Gilbert,
President
Gilbert Construction Services, Inc.
Wright Acres Subdivision
P. O. Box 442
2215 Dickey Drive
Owensboro, KY. 42301

Honorable Bryan R. Reynolds
Attorney for Gilbert Construction
Sullivan, Mountjoy, Stainback &
Miller, PSC
100 St. Ann Building
P.O. Box 727
Owensboro, KY. 42302 0727

RE: Case No. 1999-314

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,


Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matters of:

THE APPLICATION OF GILBERT CONSTRUCTION)
d/b/a WRIGHT ACRES FOR A RATE ADJUSTMENT) CASE NO. 99-314
PURSUANT TO THE ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

AND

THE APPLICATION OF GILBERT CONSTRUCTION)
d/b/a GRAHAM ESTATES FOR A RATE ADJUSTMENT) CASE NO. 99-315
PURSUANT TO THE ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

O R D E R

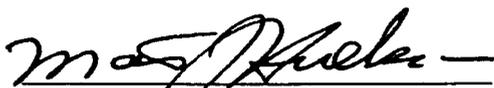
The Commission, having considered the motions of Gilbert Construction, d/b/a Wright Acres, and Gilbert Construction, d/b/a Graham Estates, to reschedule the February 29, 2000 informal conference due to a conflict, and good cause having been shown, HEREBY ORDERS that:

1. The informal conference scheduled on February 29, 2000 at the Commission's offices is rescheduled to March 7, 2000, at 2:00 p.m., Eastern Standard Time, to be held telephonically.
2. The applicants shall file, no later than March 3, 2000, any documents that will be relied upon during the telephonic conference and that are not already filed in the record.

Done at Frankfort, Kentucky, this 29th day of February, 2000.

By the Commission

ATTEST:


Executive Director

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
FEB 23 2000
PUBLIC SERVICE
COMMISSION

In the Matter of:

THE APPLICATION OF GILBERT CONSTRUCTION)
d/b/a WRIGHT ACRES FOR A RATE ADJUSTMENT) CASE NO. 99-314
PURSUANT TO THE ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

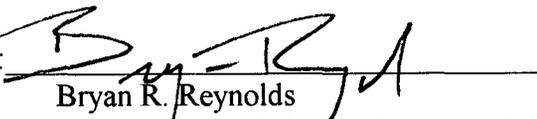
MOTION FOR CONTINUANCE OF INFORMAL CONFERENCE

Comes now Gilbert Construction, d/b/a Wrights Acres, and Gilbert Construction, d/b/a Graham Estates, and moves the Commission to continue and reschedule the informal conference scheduled for February 29, 2000 at 1:30 p.m. EST, on the grounds that counsel for the Applicant has a prior commitment on that date.

WHEREFORE, the Applicant respectfully requests the Commission to reschedule the formal conference now scheduled for February 29, 2000 at 1:30 p.m. EST for a time during the month of March, after March 15, 2000.

Respectfully submitted this the 21st day of February, 2000.

Sullivan, Mountjoy, Stainback & Miller, PSC

By: 
Bryan R. Reynolds
100 St. Ann Building, P.O. Box 727
Owensboro, KY 42302-0727
(270) 926-4000

Attorney for Gilbert Construction Services, Inc.



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

February 16, 2000

Robert E. Gilbert,
President
Gilbert Construction Services, Inc.
Wright Acres Subdivision
P. O. Box 442
2215 Dickey Drive
Owensboro, KY. 42301

Honorable Bryan R. Reynolds
Attorney for Gilbert Construction
Sullivan, Mountjoy, Stainback &
Miller, PSC
100 St. Ann Building
P.O. Box 727
Owensboro, KY. 42302 0727

RE: Case No. 1999-314

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GILBERT CONSTRUCTION,)
D/B/A WRIGHT ACRES SUBDIVISION FOR AN) CASE NO.
ADJUSTMENT OF RATES PURSUANT TO THE) 99-314
ALTERNATIVE RATE FILING PROCEDURE FOR)
SMALL UTILITIES)

And

THE APPLICATION OF GILBERT CONSTRUCTION,)
D/B/A GRAHAM ESTATES FOR AN ADJUSTMENT) CASE NO.
OF RATES PURSUANT TO THE ALTERNATIVE) 99-315
RATE FILING PROCEDURE FOR SMALL UTILITIES)

O R D E R

The Commission, having considered the motions of Gilbert Construction d/b/a Wright Acres and Gilbert Construction d/b/a Graham Estates for informal conferences to discuss the Staff Reports, HEREBY ORDERS that an informal conference shall be held on Tuesday, February 29, 2000 at 1:30 p.m. EST in Conference Room 2 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 16th day of February, 2000.

By the Commission

ATTEST:


Executive Director

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
FEB 01 2000
PUBLIC
COMMISSION

In the Matter of:

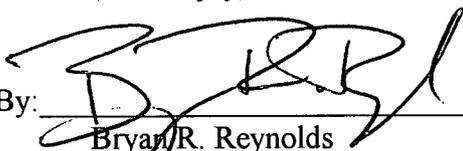
THE APPLICATION OF GILBERT CONSTRUCTION)
d/b/a WRIGHT ACRES FOR A RATE ADJUSTMENT) CASE NO. 99-314
PURSUANT TO THE ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

REQUEST FOR INFORMAL CONFERENCE

Comes now Gilbert Construction Services, Inc., d/b/a Wrights Acres (Wright's Acres) and requests an informal conference regarding the Commission's Order in Case No. 99-314, In the Matter of: The Application of Gilbert Construction d/b/a Wrights Acres for a Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities.

Respectfully submitted this the 31st day of January, 2000.

Sullivan, Mountjoy, Stainback & Miller, PSC

By: 

Bryan R. Reynolds
100 St. Ann Building, P.O. Box 727
Owensboro, KY 42302-0727
(270) 926-4000

Attorney for Gilbert Construction Services, Inc.



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

January 21, 2000

Robert E. Gilbert,
President
Gilbert Construction Services, Inc.
Wright Acres Subdivision
P. O. Box 442
2215 Dickey Drive
Owensboro, KY. 42301

Honorable Bryan R. Reynolds
Attorney for Gilbert Construction
Sullivan, Mountjoy, Stainback &
Miller, PSC
100 St. Ann Building
P.O. Box 727
Owensboro, KY. 42302 0727

RE: Case No. 1999-314

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GILBERT CONSTRUCTION)
d/b/a WRIGHT ACRES FOR A RATE ADJUSTMENT) CASE NO.
PURSUANT TO THE ALTERNATIVE RATE FILING) 99-314
PROCEDURE FOR SMALL UTILITIES)

ORDER

On September 23, 1999, Gilbert Construction Services, Inc. d/b/a Wright Acres ("Wright Acres") filed its application for Commission approval of proposed sewer rates. Commission Staff, having performed a limited financial review of Wright Acres' operations, has prepared the attached Staff Report containing Staff's findings and recommendations regarding the proposed rates. All parties should review the report carefully and provide any written comments or requests for a hearing or informal conference no later than 10 days from the date of this Order.

IT IS THEREFORE ORDERED that all parties shall have no more than 10 days from the date of this Order to provide written comments regarding the attached Staff Report or requests for hearing or informal conference. If no request for a hearing or informal conference is received, this case will be submitted to the Commission for a decision.

Done at Frankfort, Kentucky, this 21st day of January, 2000.

ATTEST:


Executive Director

By the Commission

STAFF REPORT
ON
GILBERT CONSTRUCTION d/b/a WRIGHT ACRES
CASE NO. 99-314

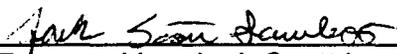
On September 23, 1999, Gilbert Construction d/b/a Wright Acres filed an application to adjust its sewer service rates pursuant to 807 KAR 5:076. 5:076 requires that a utility establish rates based on annual reports filed with the Commission for the three most recent years of operation. As of the date of this report Wright Acres had not filed those reports. The Commission accepted Wright Acres' application but ordered that the annual reports be filed no later than November 15, 1999. Wright Acres should file those reports as soon as possible.

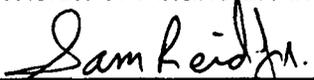
The test year used in the application was the calendar year ending December 31, 1997. In the absence of the annual reports, a test year income statement was compiled from invoices supplied by Wright Acres' vendors. Scott Lawless and John Williams of Commission Staff ("Staff") performed a limited financial review of Wright Acres' test year operations. To gather information a field inspection was performed and one written information request was issued. The scope of Staff's review was limited to obtaining information as to whether the test period operating revenues and expenses were representative of normal operations. Insignificant or immaterial discrepancies were not pursued and are not addressed herein.

Wright Acres' proposed operating income statement is shown on Attachment A of this report. Attachment B details Staff's recommended operating income statement and includes explanations for all adjustments.

Attachment C compares Wright Acres' and Staff's revenue requirement and rate calculations. Wright Acres proposed to increase its current monthly rate of \$15.00 to \$18.78. Staff recommends that the current rate be reduced to \$13.18.

Signatures


Prepared by: Jack Scott Lawless, CPA
Financial Analyst, Water and Sewer
Revenue Requirements Branch
Division of Financial Analysis


Prepared by: Sam Reid
Rate Analyst, Communications, Water,
and Sewer Rate Design Branch
Division of Financial Analysis

**ATTACHMENT A
STAFF REPORT CASE NO. 99-314
WRIGHT ACRES' REQUESTED OPERATIONS**

	Test Year	Adjustment	Pro forma Operations
Operating Revenue (\$15.00 current rate x 107 customers x 12 months)	19,260		19,260
Operating Expenses			
Contract labor - C.G. Williams, Inc.	225	1,095	1,320
Operating contract	3,544		3,544
Peay Electric	518		518
Straeffer Pump and Supply	1,230		1,230
Purchased power	3,863		3,863
Baird Plumbing and Heating	4,779		4,779
Owner manager fee	3,600		3,600
Legal and professional expenses		2,068	2,068
KPDES Permit fee		300	300
Total Operating Expenses	17,759	3,463	21,222
Net Operating Income	1,501	(3,463)	(1,962)

**ATTACHMENT B
STAFF REPORT CASE NO. 99-314
STAFF'S RECOMMENDED OPERATIONS**

	Test Year	Adjustment	Ref.	Pro forma Operations
Operating Revenue (\$15.00 current rate x 107 customers x 12 months)	19,260			19,260
Operating Expenses				
Contract labor - C.G. Williams, Inc.	225		A	225
Operating contract	3,544			3,544
Peay Electric	518			518
Straeffer Pump and Supply	1,230			1,230
Purchased power	3,863			3,863
Baird Plumbing and Heating	4,779	(3,066)	B	1,713
Owner manager fee	3,600			3,600
Legal and professional expenses			C	-
KPDES Permit fee		200	D	200
Total Operating Expenses	17,759	(2,866)		14,893
Net Operating Income	1,501	2,866		4,367

ATTACHMENT B
STAFF REPORT CASE NO. 99-314
STAFF'S RECOMMENDED OPERATIONS

(A) Contract Labor. During the test year \$225 was paid to C.G. Williams for cleaning the chlorine contact chamber. Wright Acres proposed to increase that amount to \$1,320 to reflect a monthly payment of \$110 to C.G. Williams for pumping sludge from the contact and aeration chambers.

Through an information request issued on October 27, 1999, Staff requested that a detailed basis for this adjustment be provided. Wright Acres responded on December 6, 1999, by simply stating that one monthly service trip was now required for this maintenance at a cost of \$110 per trip. Wright Acres provided no evidence that these services were required and being performed or that the charge for such service was reasonable. Therefore, Staff recommends that this adjustment be denied.

(B) Baird Plumbing and Heating. In compiling the test year income statement, payments made to Baird Plumbing and Heating were allocated to Wright Acres in the amount of \$4,779. The total amount paid to Baird by Gilbert Construction on behalf of its two sewer operations was \$6,878. The allocation was based on the number of customers served by each of Gilbert Construction's sewer operations. This allocation procedure was necessary because detailed invoices were not maintained so that direct allocations could be made.

During Staff's review it was discovered that the total payments of \$6,878 represented amounts paid to Baird from 1994 to 1998. Staff has adjusted the test year expense to reflect payments made during 1997 only. The adjustment was calculated as follows:

ATTACHMENT B
STAFF REPORT CASE NO. 99-314
STAFF'S RECOMMENDED OPERATIONS

Total Paid in 1997 per Invoice Summary	\$2,465.41
Times: 69.5 percent (107 Wright Acres' customers divided by 154 Total Gilbert Construction Customers)	<u>69.50%</u>
Amount allocated to Wright Acres	1,713.00
Less: Test year	<u>(4,779.00)</u>
Adjustment – Decrease	<u>\$(3,066.00)</u>

(C) Legal and Professional Services. Wright Acres proposed to increase test year expenses by \$2,068 to include legal fees. Staff requested detailed support for this adjustment in its information request. In response, Wright Acres submitted a 1998 invoice summary sheet billed to Robert E. Gilbert, owner of Wright Acres, by his attorney. The invoice summary totaled \$2,616.91. In the response Gilbert's attorney stated that \$2,068 of the total was related to Wright Acres.

The invoice summary provides no detailed information regarding the nature of the legal services provided. In the absence of such information, Staff is not able to determine the reasonableness of the charges and therefore recommends that they be denied.

(D) KPDES Permit Fee. Wright Acres proposed to increase test year expenses by \$300 to reflect the five-year amortization of its KPDES permit. Wright Acres provided a copy of its current permit that expires July 31, 2000. The amount paid for the permit was not included in the response. Staff contacted the Division of Water and found that the current permit was \$1,000. Therefore, Staff recommends that test year expenses be increase by \$200 (\$1,000 / 5 years).

ATTACHMENT C
 STAFF REPORT CASE NO. 99-314
 COMPARISON OF REVENUE REQUIREMENT AND RATE CALCULATIONS

	Recommended By Staff	Requested By Wright Acres
Operating Expenses	14,893	21,222
Divide by: 88 percent	88%	88%
Required Revenue	16,924	24,116
Divide by: Number of customers	107	107
12 months	12	12
Recommended Rate	13.18	18.78

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
DEC 06 1999
PUBLIC SERVICE
COMMISSION

In the Matter of:

THE APPLICATION OF GILBERT CONSTRUCTION)
d/b/a WRIGHT ACRES FOR A RATE ADJUSTMENT) CASE NO. 99-314
PURSUANT TO THE ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

RESPONSE TO INFORMATION REQUEST

Now comes Gilbert Construction Services, Inc. d/b/a Wright's Acres and provides the following information in response to the Order of the Commission dated October 27, 1999.

1. The value of \$1320 for contract labor is based on an estimated figure of \$110.00 per month paid to CG Williams for wasting, or periodically pumping sludge out of the contact chamber and the aeration chamber. CG Williams charges \$110.00 for each trip, and this plant requires one trip per month on average.

Professional and legal expenses are based on legal fees and accounting fees necessary for compliance with PSC requirements and requirements of the Kentucky Natural Resources and Environmental Protection Cabinet. Additionally, Gilbert has been required to pay legal fees relating to the proposed transfer of these plants to the Daviess County Regional Water Resource Agency. Accounting services relate to the annual preparation of annual reports and tax returns for the facilities, both of which are currently in preparation for the past three years. The figure of \$2068 represents the proportion of total legal billings by Sullivan Mountjoy Stainback & Miller, PSC attributable to Wright's Acres. Copies of the legal bills for 1998 are attached hereto as Item

1. Accounting fees are reasonably estimated to be \$900.00 per plant on a yearly basis for the preparation of tax returns and annual reports. Steve Davis, C.P.A. bills at \$90.00 per hour and

his staff is billed at \$40.00 per hour.

Witness - Robert Gilbert

2. C.G. Williams is not affiliated with Gilbert Construction Services in any way.

Witness - Robert Gilbert

3. A copy of the KPDES permit for Wright's Acres is attached hereto at Item 2.

Documented proof of payment is not available, however, the fact of issuance of the permit is sufficient proof that the fees were paid. The current statutory fee for such permits is \$1000.00 for small, non-publicly owned treatment works. KRS 224.70-120(3)(f). The fee is payable every five years. Therefore, the application provides for recovery of the fee in yearly increments of \$200.00.

Witness - Robert Gilbert

Respectfully submitted this the 3 day of December, 1999.

Sullivan, Mountjoy, Stainback & Miller, PSC

By: 
Bryan R. Reynolds
100 St. Ann Building, P.O. Box 727
Owensboro, KY 42302-0727
(270) 926-4000

Attorney for Gilbert Construction

INDEX TO ATTACHMENTS

1. Bill from Sullivan, Mountjoy, Stainback & Miller, P.S.C. for legal services for 1998.
2. KPDES Permit.

Sullivan, Mountjoy, Stainback, & Miller, P.S.C.
100 St. Ann Street
P. O. Box 727
Owensboro, KY 42302-0727
Tax ID# 61-0673590

January 31, 1999

Invoice Number 32044-00000-022 BR

Robert E. Gilbert, Sr.
2215 Dickey Road
Owensboro, Kentucky 42301

Professional Services Rendered
Balance forward as of Invoice # 021 dated 12/31/98 \$ 2,616.91

Our records indicate that the following bills are outstanding:

BILL NUMBER	DATE	ORIGINAL AMOUNT	BALANCE DUE
009	01/31/98	695.90	\$ 321.90
010	02/28/98	556.68	\$ 556.68
011	03/31/98	150.46	\$ 150.46
012	04/30/98	474.77	\$ 474.77
014	05/31/98	178.69	\$ 178.69
015	06/30/98	130.03	\$ 130.03
016	07/31/98	259.49	\$ 259.49
017	08/31/98	158.48	\$ 158.48
018	09/30/98	350.00	\$ 350.00
019	10/31/98	3.98	\$ 3.98
020	11/30/98	32.21	\$ 32.21
021	12/31/98	0.22	\$.22
TOTAL AMOUNT OUTSTANDING			\$ 2,616.91

JAMES E. BICKFORD
SECRETARY



PAUL E. PATTON
GOVERNOR

COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
FRANKFORT OFFICE PARK
14 REILLY RD
FRANKFORT KY 40601

MAR 14 1996

Mr. Robert E. Gilbert, Sr.
2215 Dickey Drive
Owensboro, Kentucky 42301

Re: NPDES No. KY0043192
Daviness County, Kentucky

Dear Mr. Gilbert:

Enclosed is the Kentucky Pollutant Discharge Elimination System (KPDES) permit for Wrights Acres Subdivision. This action constitutes a final permit issuance under 401 KAR 5:075 pursuant to KRS 224.16-050.

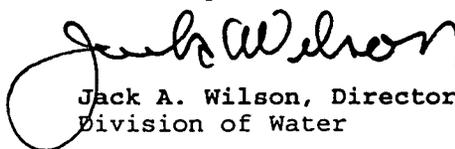
This permit will become effective on the date indicated in the attached permit provided that no request for adjudication is granted. All provisions of the permit will be effective and enforceable in accordance with 401 KAR 5:075 unless stayed by the Hearing Officer under Sections 11 and 13.

Any demand for a hearing on the permit shall be filed in accordance with the procedures specified in KRS 224.10-420, 224.10-440, 224.10-470 and any regulations promulgated thereto. Any person aggrieved by the issuance of a permit final decision may demand a hearing pursuant to KRS 224.10-420(2) within thirty (30) days from the date of the issuance of this letter. Two copies of request for hearing should be submitted in writing to the Natural Resources and Environmental Protection Cabinet, Office of Administrative Hearings, 35-36 Fountain Place, Frankfort, Kentucky 40601 and the Commonwealth of Kentucky, Natural Resources and Environmental Protection Cabinet, Division of Water, 14 Reilly Road, Frankfort, Kentucky 40601. For your record keeping purposes, it is recommended that these requests be sent by certified mail. The written request must conform to the appropriate statutes referenced above.

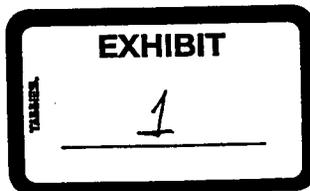
If you have any questions regarding the KPDES decision, please contact Ms. Judy Zeigler, Inventory and Data Management Section, KPDES Branch, at (502) 564-2225, extension 465.

Further information on procedures and legal matters pertaining to the hearing request may be obtained by contacting the Hon. Barbara Foster, Division of Hearings, at (502) 564-7312.

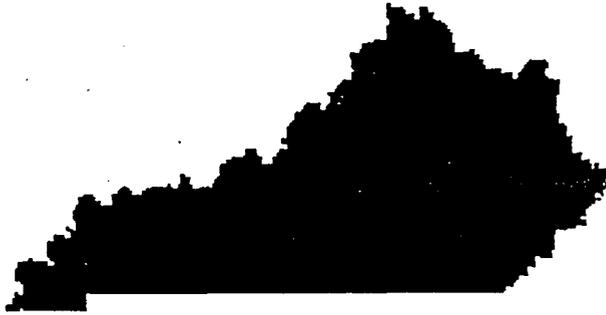
Sincerely,


Jack A. Wilson, Director
Division of Water

JAW:BT
Enclosure
c: Madisonville Regional Office



KPDES



KENTUCKY POLLUTANT
DISCHARGE ELIMINATION
SYSTEM

PERMIT

PERMIT NO.: KY0043192

AUTHORIZATION TO DISCHARGE UNDER THE
KENTUCKY POLLUTANT DISCHARGE ELIMINATION SYSTEM

Pursuant to Authority in KRS 224,

Robert E. Gilbert, Sr.
2215 Dickey Drive
P.O. Box 442
Owensboro, Kentucky 42301

is authorized to discharge from a facility located at

Wrights Acres Subdivision
Intersection of Kentucky Highways 405 and 1831
Owensboro, Daviess County, Kentucky

to receiving waters named

Unnamed tributary at mile point 0.72 to VanBuren Creek at mile point 1.25

in accordance with effluent limitations, monitoring requirements and other conditions set forth in Parts I, II, and III hereof. The permit consists of this cover sheet, and Part I 2 page(s), Part II 1 page(s) and Part III 1 page(s).

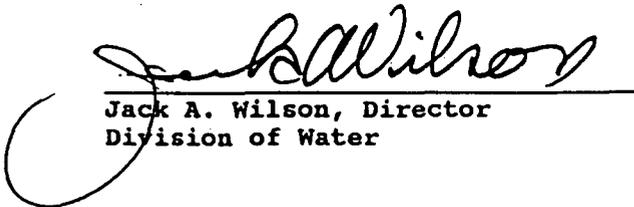
This permit became effective on August 1, 1995

This modified permit shall become effective on **MAY - 1 1996**

This permit and the authorization to discharge shall expire at midnight, July 31, 2000

MAR 14 1996

Date Signed.


Jack A. Wilson, Director
Division of Water

Robert W. Logan
Commissioner

DEPARTMENT FOR ENVIRONMENTAL PROTECTION
Division of Water, Frankfort Office Park, 14 Reilly Road, Frankfort, Kentucky 40601

A. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning on the effective date of this permit and lasting through the term of this permit, the permittee is authorized to discharge from outfall(s) serial number(s): 001, Sanitary wastewater.

Such discharges shall be limited and monitored by the permittee as specified below:

EFFLUENT CHARACTERISTICS	DISCHARGE LIMITATIONS		MONITORING REQUIREMENTS			
	Monthly Avg.	Daily Max.	Other Units (Specify) Monthly Avg.	Measurement Frequency	Sample Type	Sampling Location
Flow, Design (0.040 mgd)	N/A	N/A	Report	5/Week	Instantaneous	Influent or Effluent
Biochemical Oxygen Demand (5 day), Carbonaceous	3.34	6.68	10 mg/l	1/Week	Composite	Effluent
Total Suspended Solids	10.0	20.0	30 mg/l	1/Week	Composite	Effluent
Fecal Coliform Bacteria, N/100	N/A	N/A	200	1/Week	Grab	Effluent
Ammonia (as N)	0.67 1.67	1.34 3.34	2 mg/l* 5 mg/l**	1/Week	Composite	Effluent
Dissolved Oxygen shall not be less than 7 mg/l				1/Week	Grab	Effluent

The pH of the effluent shall not be less than 6.0 standard units nor greater than 9.0 standard units and shall be monitored once per month by grab sample.

There shall be no discharge of floating solids or visible foam in other than trace amounts.

The effluent shall not cause a visible sheen on the receiving water.

* Effective May 1 - October 31

** Effective November 1 - April 30

B. Schedule of Compliance

1. The permittee shall achieve compliance with the effluent limitations on the effective date of this permit.
2. The permittee shall achieve compliance with the effluent limitations of the modified permit on the effective date of this permit modification.
3. The permittee will eliminate the discharge and will connect to a comprehensive sewer system provided such system can adequately treat the wastes.

PART II
Page II-1
Permit No.: KY0043192

STANDARD CONDITIONS FOR KPDES PERMIT

The permittee is also advised that all KPDES permit conditions in KPDES Regulation 401 KAR 5:065, Section 1 will apply to all discharges authorized by this permit.

This permit has been issued under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits or licenses required by this Cabinet and other state, federal and local agencies.

It is the responsibility of the permittee to demonstrate compliance with permit parameter limitations by utilization of sufficiently sensitive analytical methods.

PART III

OTHER REQUIREMENTS

A. Reporting of Monitoring Results

Monitoring results must be obtained for each month and reported on a preprinted Discharge Monitoring Report (DMR) Form which will be mailed to you each quarter for the upcoming quarter. The completed DMRs for each month must be sent to the Division of Water at the address listed below (with a copy to the appropriate Regional Office) postmarked no later than the 28th day of the month following the completed quarter.

Division of Water
Madisonville Regional Office
Madisonville State Office Building
625 Hospital Drive
Madisonville, Kentucky 42431-1683
ATTN: Mr. Donald Hayes

Kentucky Natural Resources and
Environmental Protection Cabinet
Dept. for Environmental Protection
Division of Water
Inventory & Data Management
14 Reilly Road, Frankfort Office Park
Frankfort, Kentucky 40601

B. Reopener Clause

This permit shall be modified, or alternatively revoked and reissued, to comply with any applicable effluent standard or limitation issued or approved under 401 KAR 5:050 through 5:080 and KRS 224, if the effluent standard or limitation so issued or approved:

1. Contains different conditions or is otherwise more stringent than any effluent limitation in the permit; or
2. Controls any pollutant not limited in the permit.

The permit as modified or reissued under this paragraph shall also contain any other requirements of KRS Chapter 224 when applicable.

James E. Bickford
Secretary



Paul E. Patton
Governor

COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
FRANKFORT OFFICE PARK
14 REILLY ROAD
FRANKFORT, KENTUCKY 40601

STATEMENT OF BASIS

KPDES No.: KY0043192

Permit Writer: Sue L. Davis

Date: January 25, 1995

MODIFICATION DATE: **MAY - 11**

Facility Name: Wrights Acres Subdivision

Facility Location: Intersection of Kentucky Highways 405 and 1831
Owensboro, Daviess County, Kentucky

Permitting Action: This is a modification of a permit for a subdivision. The design capacity has been lowered from 50,000 gallons per day to 40,000 gallons per day.

Permit Duration: Five (5) years

Receiving Stream: Unnamed tributary at mile point 0.72 to VanBuren Creek at mile point 1.25

Stream Segment Use Classification: Warmwater Aquatic Habitat and Primary/Secondary Contact Recreation

Stream Low Flow Condition: 0.00 cfs

Justification of Permit Conditions:

The following regulations are pursuant to KRS 224.70-100 and KRS 224.70-110.

Biochemical Oxygen Demand (5 day), Total Suspended Solids, Fecal Coliform, and pH
The effluent limitations for the above permit parameters are consistent with 401 KAR 5:045.

Ammonia Nitrogen and Dissolved Oxygen
The effluent limitations for the above permit parameters are consistent with 401 KAR 5:031.

The conditions of 401 KAR 5:029, Section 2(1) and (3) have been satisfied by this permit action. A review under Section 2(2) and (4) is not applicable.





COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

December 6, 1999

Robert E. Gilbert,
President
Gilbert Construction Services, Inc.
Wright Acres Subdivision
P. O. Box 442
2215 Dickey Drive
Owensboro, KY. 42301

Honorable Bryan R. Reynolds
Attorney for Gilbert Construction
Sullivan, Mountjoy, Stainback &
Miller, PSC
100 St. Ann Building
P.O. Box 727
Owensboro, KY. 42302 0727

RE: Case No. 1999-314

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GILBERT)
CONSTRUCTION, D/B/A WRIGHT)
ACRES SUBDIVISION FOR AN) CASE NO. 99-314
ADJUSTMENT OF RATES PURSUANT)
TO THE ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

and

THE APPLICATION OF GILBERT)
CONSTRUCTION, D/B/A GRAHAM)
ESTATES FOR AN ADJUSTMENT) CASE NO. 99-315
OF RATES PURSUANT TO THE)
ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

O R D E R

Motions having been made for a 20-day extension of time in which to respond to the Commission's October 27, 1999 Orders in the above-named proceedings and the Commission finding good cause, IT IS HEREBY ORDERED that the motions are granted.

Done at Frankfort, Kentucky, this 6th day of December, 1999.

By the Commission

ATTEST:


Executive Director

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
NOV 22 1999
PUBLIC SERVICE
COMMISSION

In the Matter of:

THE APPLICATION OF GILBERT CONSTRUCTION)
d/b/a WRIGHT ACRES FOR A RATE ADJUSTMENT)
PURSUANT TO THE ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

CASE NO.

MOTION FOR ENLARGEMENT OF TIME TO RESPOND

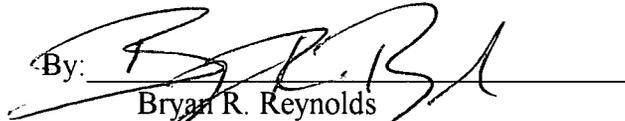
Comes now Gilbert Construction d/b/a Wright Acres and moves the Commission for an order allowing 20 additional days for the preparation of response to the Commission's Order dated October 27, 1999. Grounds for this motion are that a complete response to the information request will require additional time.

Gilbert has been diligently attempting to compile the requested data, but is dependent on outside parties to respond to his requests.

WHEREFORE, Movant respectfully moves the Commission for an order granting it an extension of time until and including December 3, 1999 to comply with the Commission's Order of October 27, 1998 and for other appropriate relief.

Respectfully submitted this the 18th day of November, 1999.

Sullivan, Mountjoy, Stainback & Miller, PSC

By: 
Bryan R. Reynolds
100 St. Ann Building, P.O. Box 727
Owensboro, KY 42302-0727
(270) 926-4000

Attorney for Gilbert Construction



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-1582

Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Helen Helton
Executive Director
Public Service Commission

Paul E. Patton
Governor

November 16, 1999

Mr. Frankie Bartlett
2150 Graham Lane East
Owensboro, KY 42301

Re: Case Number 99-314

Dear Mr. Bartlett:

The Commission has received your letter dated October 7, 1999 concerning the above case. Your letter will be placed in the main case file. The Commission will analyze this case and give careful consideration to proposed rate increase before rendering its decision.

Please be advised that the Attorney General represents residential rate payers. You may wish to contact the Attorney General's office at 502-696-5300 and request that his office represent you in this matter.

Thank you for your interest and concern in this matter.

Sincerely,

A handwritten signature in black ink that reads "Stephanie Bell".

Stephanie Bell
Secretary to the Commission

SB/lc



AN EQUAL OPPORTUNITY EMPLOYER M/F/D



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

October 27, 1999

Robert E. Gilbert,
President
Gilbert Construction Services, Inc.
Wright Acres Subdivision
P. O. Box 442
2215 Dickey Drive
Owensboro, KY. 42301

RE: Case No. 99-314

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie J. Bell".

Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GILBERT CONSTRUCTION)
d/b/a WRIGHT ACRES FOR A RATE ADJUSTMENT) CASE NO. 99-314
PURSUANT TO THE ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

ORDER

IT IS ORDERED that Gilbert Construction Services, Inc. d/b/a Wright Acres ("Wright Acres") shall file with the Commission the original and 6 copies of the following information, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. The information requested herein is due within 20 days of the date of this Order.

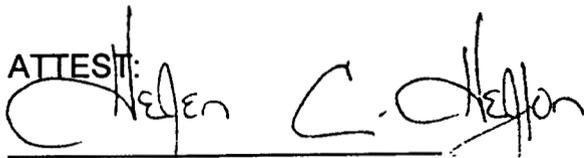
1. Attachment A of the application includes contract labor of \$1,320 and legal and professional fees of \$2,068. Provide the basis for these charges. Your response should include a complete and detailed description of all services provided, the vendor rate charged for each service, detailed invoices, and all related contracts.

2. Is C.G. Williams related to or involved with Wright Acres in any capacity other than that discussed in Item 1 above? If so, explain in full detail.

3. Provide a copy of Wright Acres' current KPDES permit and proof of payment.

Done at Frankfort, Kentucky, this 27th day of October, 1999.

By the Commission

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

October 12, 1999

Robert E. Gilbert,
President
Gilbert Construction Services, Inc.
Wright Acres Subdivision
P. O. Box 442
2215 Dickey Drive
Owensboro, KY. 42301

RE: Case No. 99-314
GILBERT CONSTRUCTION SERVICES, INC. WRIGHT ACRES SUBDIVISION

The Commission staff has reviewed your response of September 23, 1999 and has determined that your application in the above case now meets the minimum filing requirements set by our regulations. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further information, please contact my staff at 502/564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

July 23, 1999

CASE 99-314
RECEIVED

JUL 26 1999

PUBLIC SERVICE
COMMISSION

FILED

SEP 23 1999

PUBLIC SERVICE
COMMISSION

Executive Director
Kentucky Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, Kentucky 40602

Case No. 99-314

Dear Sir:

Pursuant to 807 KAR 5:076, Gilbert Construction Services, Inc. hereby requests a waiver of the requirement to file an annual report for the prior three years before filing a rate adjustment application for Wrights Acres and Graham Estates Subdivision in Daviess County, Kentucky. Due to previous low rates, the owner has been unable to afford to pay an accountant to complete annual reports, but has made arrangements with a local accountant for their completion as soon as possible.

With this letter are completed rate adjustment applications. However, public notice of the rate adjustment will not occur until I receive notice whether the waiver is granted regarding the annual report requirement. Also attached is a copy of the notices.

Please contact me at 684-0774 if you have any questions regarding this letter or the attached applications.

Sincerely,


Robert Gilbert Sr.

RECEIVED
OCT 07 1999
PUBLIC SERVICE
COMMISSION

October 5, 1999

Executive Director
Public Service Commission
730 Schenkel Lane
P. O. Box 615
Frankfort, KY 40602

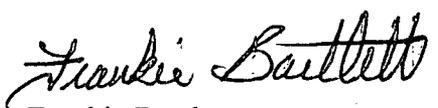
To Whom It May Concern:

I have recently received a notice from Gilbert Construction Services, Inc. stating that they are proposing to increase our sewer rates in Graham Estates from \$15.80 to \$24.10 per month. They also state that the Public Service Commission could order the rates charged at higher or lower rates than this. At the present monthly rate of \$15.80 our bill, including taxes and other charges is currently \$35.00 to \$45.00 a month. With the proposed rate increase our bill would be in the \$50.00 range.

I think this is a very steep increase and do not know if this letter will help, but it seems as though everytime an increase is proposed, it is always an increase of 50% or more. If every time I received a raise from my employer it was 50% or more I wouldn't mind the increase at all, but this is not the American way.

I don't understand how Gilbert Construction came to this much of an increase but if there is anything you can do to help our neighborhood with this matter it would be greatly appreciated. If there is anything that I, or we as a community can do, we would be more than glad to help.

Thank you for your time and consideration.



Frankie Bartlett
2150 Graham Lane East
Owensboro, KY 42301
(270) 281-9276



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Helen Helton
Executive Director
Public Service Commission

Paul E. Patton
Governor

September 27, 1999

Robert E. Gilbert, Sr.
President
Gilbert Construction Services, Inc.
Graham Estates Subdivision
P.O. Box 442
2215 Dickey Drive
Owensboro, KY 42301

Re: Case No. 99-314
Filing Deficiencies

Dear Mr. Gilbert:

By letter dated August 13, 1999, you were notified that your filing in the above case was deficient because it did not include a statement of the date on which the notice of rate adjustment was mailed to each customer. Pursuant to KRS 278.185, a sewer utility must mail to each customer a notice of the proposed rate adjustment. The notice included with your filing is sufficient, but you must mail a copy to each customer and then send the Commission a statement of the date the notice was mailed.

The statutory time period in which the Commission must process this case will not commence until this statement is filed with the Commission. You are requested to file 10 copies of this information within 15 days of the date of this letter. If you need further information, please contact Richard Raff of my staff at (502)564-3940, ext. 260.

Sincerely,

A handwritten signature in black ink that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

sa



SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC

ATTORNEYS AT LAW

Ronald M. Sullivan
Jesse T. Mountjoy
Frank Stainback
James M. Miller
Michael A. Fiorella
William R. Dexter
Allen W. Holbrook
R. Michael Sullivan
P. Marcum Willis
Felicia S. Turner
Melissa Gayheart
Bryan R. Reynolds

September 21, 1999

Executive Director
Kentucky Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, Kentucky 40602

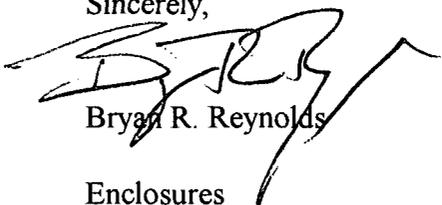
RECEIVED
SEP 23 1999
PUBLIC SERVICE
COMMISSION

Re: **Gilbert Construction Services; Case Nos. 99-314 and 99-315**

Dear Sir:

Enclosed please find copies of notices that were mailed today to residents of Graham Estates and Wrights Acres Subdivision regarding the rate increases sought by Gilbert Construction Services, Inc. Notice has already been published twice in the local newspaper. Please contact me if you have any questions.

Sincerely,


Bryan R. Reynolds

Enclosures

Telephone (270) 926-4000
Telecopier (270) 683-6694

100 St. Ann Building
PO Box 727
Owensboro, Kentucky
42302-0727

NOTICE

Gilbert Construction Services, Inc. hereby gives notice that it is seeking to increase rates for sewer services in Wrights Acres Subdivision. The current rate is \$15.00 per month and the rate being sought is \$18.78 per month. The rates contained in this notice are the rates proposed by Gilbert Construction Services. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, body politic or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate changes is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 730 Schenkel Lane, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the motion, including the status of the movant.

Copies of the Application may be obtained at no charge from Gilbert Construction Services, Inc. at 2215 Dickey Drive, Owensboro, Kentucky 42301.

Upon request from an intervenor, the applicant shall furnish to the intervenor a copy of the application and supporting documents.

NOTICE

Gilbert Construction Services, Inc. hereby gives notice that it is seeking to increase rates for sewer services in Graham Estates. The current rate is \$15.80 per month and the rate being sought is \$24.10 per month. The rates contained in this notice are the rates proposed by Gilbert Construction Services. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, body politic or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate changes is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 730 Schenkel Lane, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the motion, including the status of the movant.

Copies of the Application may be obtained at no charge from Gilbert Construction Services, Inc. at 2215 Dickey Drive, Owensboro, Kentucky 42301.

Upon request from an intervenor, the applicant shall furnish to the intervenor a copy of the application and supporting documents.



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

August 13, 1999

Robert E. Gilbert,
President
Gilbert Construction Services, Inc.
Wright Acres Subdivision
P. O. Box 442
2215 Dickey Drive
Owensboro, KY. 42301

RE: Case No. 99-314

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,


Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GILBERT)
CONSTRUCTION, D/B/A WRIGHT)
ACRES SUBDIVISION FOR AN) CASE NO. 99-314
ADJUSTMENT OF RATES PURSUANT)
TO THE ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

THE APPLICATION OF GILBERT)
CONSTRUCTION, D/B/A GRAHAM)
ESTATES FOR AN ADJUSTMENT) CASE NO. 99-315
OF RATES PURSUANT TO THE)
ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

O R D E R

On July 26, 1999, Gilbert Construction, d/b/a Wright Acres Subdivision and Gilbert Construction, d/b/a Graham Estates applied, respectively, to the Commission for authority to adjust their rates pursuant to the alternative rate filing procedure for small utilities. In the filings, Gilbert Construction requested permission to deviate from the requirements of Administrative Regulation 807 KAR 5:076, Section 1.

Administrative Regulation 807 KAR 5:076, Section 1, requires that the applicant have on file with the Commission fully completed annual reports for the immediate past year and for at least the two prior years. In the applications, Gilbert Construction stated that it was unable to afford to pay an accountant to prepare the annual reports, but that it had made arrangements for their expeditious completion.

Having reviewed the filings and being otherwise sufficiently advised, the Commission finds that the information filed therein is sufficient to enable the Commission to begin its review of Gilbert Construction's filings. Therefore, the requests to deviate from the above-cited regulation should be granted with the understanding that Gilbert Construction will file its annual reports for the past three years within 90 days of the date of this Order.

IT IS THEREFORE ORDERED that:

1. Gilbert Construction's requests to deviate from the requirements of 807 KAR 5:076, Section 1, is granted.
2. Within 90 days of the date of this Order, Gilbert Construction shall file its omitted annual reports covering the past three years.

Done at Frankfort, Kentucky, this 13th day of August, 1999.

By the Commission

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Helen Helton
Executive Director
Public Service Commission

Paul E. Patton
Governor

August 13, 1999

Robert E. Gilbert, Sr.
President
Gilbert Construction Services, Inc.
Graham Estates Subdivision
P.O. Box 442
2215 Dickey Drive
Owensboro, KY 42301

Re: Case No. 99-314
Filing Deficiencies

Dear Mr. Gilbert:

The Commission staff has conducted an initial review of your filing in the above case. This filing is rejected pursuant to 807 KAR 5:001, Section 2, as it is deficient in certain filing requirements. The items listed below are either required to be filed with the application or must be referenced if they are already on file in another case or will be filed at a later date.

Filing deficiencies pursuant to 807 KAR 5:76, Section 4:

If copy of public notice is included, did it meet requirements?
(For sewers, direct mailing is required. See KRS 278.185)

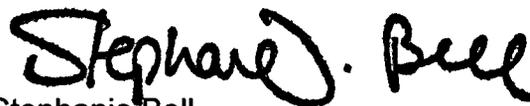
The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. You



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

are requested to file 10 copies of this information within 15 days of the date of this letter.
If you need further information, please contact Richard Raff of my staff at (502) 564-3940, ext. 260.

Sincerely,



Stephanie Bell
Secretary of the Commission

sa





COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

July 29, 1999

Robert E. Gilbert,
President
Gilbert Construction Services, Inc.
Wright Acres Subdivision
P. O. Box 442
2215 Dickey Drive
Owensboro, KY. 42301

RE: Case No. 99-314
GILBERT CONSTRUCTION SERVICES, INC. WRIGHT ACRES SUBDIVISION
(Rates - ARF)

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received July 26, 1999 and has been assigned Case No. 99-314. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

Stephanie Bell

Stephanie Bell
Secretary of the Commission

SB/jc

July 23, 1999

CASE 99-314

RECEIVED

JUL 26 1999

PUBLIC SERVICE
COMMISSION

FILED

SEP 23 1999

PUBLIC SERVICE
COMMISSION

Executive Director
Kentucky Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, Kentucky 40602

Case No. 99-314

Dear Sir:

Pursuant to 807 KAR 5:076, Gilbert Construction Services, Inc. hereby requests a waiver of the requirement to file an annual report for the prior three years before filing a rate adjustment application for Wrights Acres and Graham Estates Subdivision in Daviess County, Kentucky. Due to previous low rates, the owner has been unable to afford to pay an accountant to complete annual reports, but has made arrangements with a local accountant for their completion as soon as possible.

With this letter are completed rate adjustment applications. However, public notice of the rate adjustment will not occur until I receive notice whether the waiver is granted regarding the annual report requirement. Also attached is a copy of the notices.

Please contact me at 684-0774 if you have any questions regarding this letter or the attached applications.

Sincerely,


Robert Gilbert SR.

NOTICE

Gilbert Construction Services, Inc. hereby gives notice that it is seeking to increase rates for sewer services in Wrights Acres Subdivision. The current rate is \$15.00 per month and the rate being sought is \$18.78 per month. The rates contained in this notice are the rates proposed by Gilbert Construction Services. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, body politic or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate changes is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 730 Schenkel Lane, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the motion, including the status of the movant.

Copies of the Application may be obtained at no charge from Gilbert Construction Services, Inc. at 2215 Dickey Drive, Owensboro, Kentucky 42301.

Upon request from an intervenor, the applicant shall furnish to the intervenor a copy of the application and supporting documents.

CASE 99-314

RECEIVED

JUL 26 1999

PUBLIC SERVICE
COMMISSION

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

For Small Utilities
Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

Gilbert Construction Services, Inc. d/b/a Wright Acres Subdivision
Name of Utility

P.O. Box 442, 2215 Dickey Drive

Owensboro, Kentucky 42301
Business Mailing Address

Telephone Number (502) / 684-0774
Area Code Number

I. Basic Information

NAME, TITLE, ADDRESS and telephone number of the person to whom correspondence or communications concerning this application should be directed:

NAME: Robert E. Gilbert, President

Address: Same as above

Telephone Number: _____

- | | | |
|--|------------|-----------|
| 1) Do you have 500 customers or fewer? | <u>Yes</u> | No |
| 2) Do you have \$300,000 in Gross Annual Revenue or less? | <u>Yes</u> | No |
| 3) Has the utility filed an annual report with this Commission for the past year and the two previous years? | Yes | <u>No</u> |
| 4) Are the utility's records kept separate from any other commonly-owned enterprise? | <u>Yes</u> | No |

NOTICE: To be eligible for consideration of a rate adjustment under this regulation, you must have answered yes to either question 1 or 2 and yes to both questions 3 and 4 above. If you answer no to questions 3 or 4, you must obtain written approval from the Commission prior to filing this Application. If these requirements are not met, you must file under the Commission's procedural rules, 807 KAR 5:001.

II. Increased Cost Information

(1) The most recent Annual Report will be used as the basic test period data in order to determine the reasonableness of the proposed rates. The Annual Report used as the basis for this rate revision is the one filed with the Commission for the 12 months ending December 31, 19__.

a. If you have reason to believe some of the items of revenue and expense listed in the Annual Report will increase or decrease, please list each item, the expected increase or decrease and the adjusted amount.

<u>Item Per</u> <u>Annual Report</u>	<u>Amount Per</u> <u>Annual Report</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Adjusted</u> <u>Amount</u>
<u>Revenue</u>	\$ _____	\$ _____	\$ _____
Total Revenue	\$ _____	\$ _____	\$ _____

Expense

See Attachment A

Total Expense	\$ _____	\$ _____	\$ _____
Revenue Less Expense	\$ _____	\$ _____	\$ _____

- b. Please describe each item that you adjusted on page 2 and how you know it will change. (Please attach invoices, letters, contracts or receipts which will help in proving the change in cost).

No adjustments to test year revenues and expenses made.

- c. Please list your present and proposed rates for each class (i.e., residential, commercial, etc.) of customer and the percentage of increase proposed for each class:

<u>Customer Class</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
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All customers are residential

See Attachment A for Rate Comparison

III. Other Information

a. Please complete the following questions:

1) Please describe any events or occurrences which may have an effect on this rate review that should be brought to the Commission's attention (e.g., excessive line losses, major repairs, planned construction).

None

2) Total number of customers as of the date of filing: 107

3) Total amount of increased revenue requested: \$921

4) Please circle Yes or No:

a) Does the utility have outstanding indebtedness? Yes No

If yes, attach a copy of any documents such as promissory notes, bond resolutions, mortgage agreements, etc.

b) Were all revenues and expenses listed in the Annual Report for 19 incurred and collected from January 1 to December 31 of that year? N/A. Annual Report not filed. Yes No

If no, list total revenue and total expense incurred prior to or subsequent to this period and attach invoices or other analysis which show how amounts were calculated.

- 5) Attach a copy of the utility's depreciation schedule of utility plant in service. Reconcile any differences between total depreciation shown on the Annual Report for 19__ and the amount shown on this schedule.
- 6) N/A. Depreciation not recorded.
If utility is a sewer utility:
- a) Attach a copy of the latest State and Federal Income Tax Returns.
 - b) How much of the utility plant was recovered through the sale of lots or other contributions 100%
\$ or %? (If unknown, state the reason.)

b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

A rate increase is necessary to meet the current level of operating expenses.

IV. Billing Analysis

The billing analysis is the chart reflecting the usage by the customers as well as the revenue generated by a specific level of rates. A billing analysis of both the current and proposed rates is mandatory for analysis of this rate filing. The following is a step-by-step description which may be used to complete the billing analysis. A completed sample of a billing analysis is also included. Although the sample reflects water usage, it is equally applicable for gas companies using a declining block rate design. This billing analysis is not intended for companies using a flat rate design.

a. Usage Table (Usage by Rate Increment)

Information needed to complete the usage table should be obtained from the meter books or other available usage records. The usage table is used to spread total usage into the proper incremental rate step.

Column No. 1 is the incremental steps in the present or proposed rate schedule for which the analysis is being made. Column No. 2 is the number of bills in each incremental rate step. Column No. 3 is the total gallons used in each incremental rate step. Column Nos. 4, 5, 6, 7, 8, and 9 are labeled to correspond to the incremental rate steps shown in Column No. 1 and contain the actual number of gallons used in each incremental rate step.

Example for completing Usage Table is as follows:

Column No. 1 is incremental rate steps.

Columns numbered 2 and 3 are completed by using information obtained from usage records.

Columns numbered 4, 5, 6, 7, 8, and 9 are completed by the following steps:

Step 1: 1st 2,000 gallons minimum bill rate level
432 Bills
518,400 gallons used
All bills use 2,000 gallons or less, therefore,
all usage is recorded in Column 4.

Step 2: Next 3,000 gallons rate level
1,735 Bills
4,858,000 gallons used
1st 2,000 minimum x 1,735 bills = 3,470,000
gallons - record in Column 4
Next 3,000 gallons - remainder of water over
2,000 = 1,388,000 - record in Column 5

Step 3: Next 10,000 gallons rate level
1,830 Bills
16,268,700 gallons used
1st 2,000 minimum x 1,830 bills = 3,660,000
gallons - record in Column 4
Next 3,000 gallons x 1,830 bills = 5,490,000
gallons - record in Column 5
Next 10,000 gallons - remainder of water over 3,000
= 7,118,700 gallons - record in Column 6

Step 4: Next 25,000 gallons rate level
650 Bills
15,275,000 gallons used
1st 2,000 minimum x 650 bills = 1,300,000
gallons - record in Column 4
Next 3,000 gallons x 650 bills = 1,950,000
gallons - record in Column 5
Next 10,000 gallons x 650 bills = 6,500,000
gallons - record in Column 6
Next 25,000 gallons - remainder of water over 10,000
= 5,525,000 gallons - record in Column 7

Step 5: Over 40,000 gallons rate level
153 Bills
9,975,600 gallons used
1st 2,000 minimum x 153 bills = 306,000
gallons - record in Column 4
Next 3,000 gallons x 153 bills = 459,000
gallons - record in Column 5
Next 10,000 gallons x 153 bills = 1,530,000
gallons - record in Column 6
Next 25,000 gallons x 153 bills = 3,825,000
gallons - record in Column 7
Over 40,000 gallons - remainder of water over 25,000
= 3,855,600 gallons - record in Column 8

Step 6: Total each column for transfer to Revenue Table.

b. Revenue Table (Revenue by Rate Increment)

Revenue Table is used to determine the revenue produced from the Usage Table. Column No. 1 is the incremental rate steps in the rate schedule for which the analysis is being made. Column No. 2 indicates the total number of bills. Column No. 3 is the number of gallons accumulated in each rate increment (Totals from Columns 4, 5, 6, 7, and 8 of the above usage table). Column No. 4 is the rates to be used in determining revenue. Column No. 5 contains revenue produced.

V. General Information/Customer Notice

1) Filing Requirements:

a. If the applicant is a corporation, a certified copy of its articles of incorporation must be attached to this application. If the articles and any amendments thereto have already been filed with the Commission in a prior proceeding, it will be sufficient to state that fact in the application and refer to the style and case number of the prior proceeding.

b. An original and 10 copies of the completed application should be sent to:

Executive Director
Kentucky Public Service Commission
730 Schenkel Lane
P. O. Box 615
Frankfort, Kentucky 40602

Telephone: 502/564-3940

c. One copy of the completed application should also be sent at the same time to:

Public Service Litigation Branch
Office of the Attorney General
Post Office Box 2000
Frankfort, Kentucky 40602-2000

2) A copy of the customer notice must be filed with this application. Proper notice must comply with Section 4 of this regulation.

3) Copies of this form and the regulation may be obtained from the Commission's Office of Executive Director; or by calling 502/564-3940.

4) I have read and completed this application, and to the best of my knowledge all the information contained in this application is true and correct.

Signed _____

R.E. Gilbert Jr.

Officer of the Company

Title _____

President

Date _____

7/23/99

Attachment A
 Gilbert Construction Services, Inc.
 Calculation of Revenue Requirements and Proposed Rates

	Wrights Acres
Current rate	15.00
Times: Number of customers (taken from latest PSC engineering inspection report)	107
Annualize	12
 Pro forma revenue at present rates	 <u>19,260</u>
 Expenses	
Contract Labor - C.G. Williams (\$110 per month)	1,320
Operating Contract (\$425 per month allocated based on number of customers)	3,544
Peay Electric	518
Straeffler Pump and Supply	1,230
Purchased Power	3,863
Baird Plumbing & Heating (allocated based on number of customers)	4,779
Owner manager fee	3,600
Legal and Professional Expenses	2,068
KPDES permit fee (\$1,500.00 every 5 years)	<u>300</u>
 Total Expenses	 21,222
Divide by 88% operating ratio	<u>88%</u>
 Revenue requirement	 24,116
Less: Pro forma revenue	(19,260)
 Required increase	 <u>4,856</u>
 Required Revenue	 24,116
Divide by: Number of Customers	107
12	<u>12</u>
 Requested Rate	 18.78
Current Rate	<u>15.00</u>
Dollar Increase	<u>3.78</u>
Percent Increase	<u>25.2%</u>